

FOR IMMEDIATE RELEASE:
THURSDAY, SEPTEMBER 10, 1942

DEPARTMENT OF JUSTICE

Attorney General Francis Biddle today announced the opening of two sealed indictments returned on August 10, 1942, by a Federal Grand Jury sitting in the District of New Jersey (at Newark), charging violation of the Sherman Antitrust Act in the manufacture and sale of plastics.

At the same time, the Attorney General announced that at the request of the Secretaries of War and the Navy, the Department of Justice has agreed to postpone trial of both cases during the present war emergency.

Named as defendants in the first indictment were:

E. I. du Pont de Nemours and Company, of Wilmington, Del.; and Lamont du Pont, chairman of the Board of Directors; W. T. Harrington, vice president; H. A. Wardenburg, general manager of the Ammonia Department; A. E. Pitcher, general manager of the Plastics Department; and W. M. Perry, manager of the Special Plastics Division; Rohm and Haas Company, Inc., of Philadelphia; and Otto Haas, president; E. C. B. Kirsopp, vice president; and D. S. Frederick, manager of the Plastics Department.

This indictment charges that the two companies engaged in a world-wide conspiracy to suppress competition in and to monopolize the manufacture and sale of acrylic products in the United States and in other countries and that they were members of an international cartel which included the following foreign corporations: I. G. Farbenindustrie, A.G., of Frankfurt am Main, Germany; Rohm and Haas, G.m.b.H., of Darmstadt, Germany; and Imperial Chemical Industries, Ltd., of London, England.

According to the indictment, the illegal practices engaged in by the defendants included fixing of identical prices, restriction of production, and

(OVER)

division of world markets. The indictment also charges that the two American companies manufactured the entire production of acrylic products in the United States.

(Acrylic products are vital military material used, in the form of a plastic glass, for the manufacture of transparent bomber noses, cockpit enclosures and windshields on all types of military airplanes; and, in a wide range of other fields, - the manufacture of synthetic rubber, leather finishes, surgical instruments, eyeglasses, furniture and ornaments.)

Named as defendants in the second indictment were:

E. I. du Pont de Nemours and Company, of Wilmington, Del.; and Lamont du Pont, chairman of the Board of Directors; A. E. Fitcher, general manager of the Plastics Department; W. W. Perry, manager of the Special Plastics Division; and F. A. Wardenburg, general manager of the Armonia Department; Rohm and Haas Company, Inc., of Philadelphia; and Otto Haas, president, and D. S. Frederick, manager of the Plastics Department; L. D. Caulk Dental Supply Company, of Milford, Del.; and G. Layton Grier, president, and William V. Grier, manager of dental sales; Vernon-Benshoff Company, of Pittsburgh; and L. B. Vernon, president, and H. M. Vernon, executive; Kerr Dental Manufacturing Company, of Detroit; and Robert M. Kerr, Sr., president, and Robert M. Kerr, Jr., executive.

This indictment charges that the defendant companies conspired to suppress competition in and to monopolize the distribution and sale of denture plates made of a new plastic material known as "methyl methacrylate".

(This plastic material is used today in the manufacture of approximately 90% of all denture plates sold in the United States and is also employed extensively by commercial molders in the manufacture of tableware, furniture, ornaments and other products.)

According to this indictment, the defendants fixed identical and exorbitant prices for methyl methacrylate used in dentures. When sold to commercial molders for industrial use, the indictment charges, the price was fixed at 85¢ per pound; but when sold to the dental trade for dentures, the retail price was fixed at about \$45.00 per pound.

The indictment also charges that the defendants conspired to introduce elements into methyl methacrylate commercial molding powders to render them useless for denture purposes, thereby maintaining their monopoly over the use of this plastic material in dentures.

Both cases were handled for the Department of Justice by Walter R. Hutchinson, Special Assistant to the Attorney General, and Theodore M. Alexander and E. Houston Garsha, Special Attorneys, under the direction of Assistant Attorney General Thurman Arnold, in charge of the Antitrust Division.